



STATE DEPARTMENT OF EDUCATION

P.O. BOX 83720
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TOM LUNA
STATE SUPERINTENDENT
PUBLIC INSTRUCTION

DATE: May 15, 2007

TO: School District Superintendents
Charter School Administrators

FROM: Timothy D. Hill, Finance & Information Technology

RE: May 15, 2007 Foundation Payment

The distribution factor for the May 15, 2007 foundation payment is \$25,436, which is the amount that the 2006 Legislature set in the FY 2007 Public School appropriation.

Program distribution variances are generally offsetting, with mid-term support units of 13,536.9 slightly under the estimate of 13,550. Based on actual data used for this payment, it appears that any deposit to or withdrawal from the Public Education Stabilization Fund at the end of the fiscal year will be relatively small.

Please note that HB 1 from the August 2006 Special Legislative Session resulted in an increase in the FY 2007 general fund appropriation to public schools by \$250,645,700 and a repeal of section 33-1002D, Property tax replacement. The \$75,000,000 that was intended for property tax replacement distribution has been included as net state funding per support unit (distribution factor) and distributed with the school support program payments.

Twenty percent of these funds (\$65,129,140) have been added to each of the three advance payments (August, October, and November) as well as the February and May payments. Please keep in mind that these funds are replacing previously equalized local M & O property taxes that you would have received in January and July, as well as property tax replacement funds that you would have received in December and June.

Some of the variables that remain between now and the end of the school year are:

- Transportation reimbursement caps that may be appealed to the State Board of Education
- Exceptional child funding payments
- Revised attendance and enrollment for the first reporting period that would affect salary and benefit apportionment
- Support units based on best-28 average daily attendance

Please call me at 332-6840 if you have any questions or comments. Let me know as soon as possible of any revisions regarding your February 15 or May 15 reports that are posted on the SDE website.

TDH/cd
cc: Business Managers